



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 08-02-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 3
EFFECTIVE DATE: 8-15-07	EXPIRATION DATE: INDEFINITE	SUPERSEDES:
SUBJECT: EXCESS/SURPLUS PROPERTY PROCEDURES SOLAR RENEWABLE ENERGY CERTIFICATES (SRECs)		
ATTENTION: ALL STATE AGENCIES		
FOR INFORMATION CONTACT: RODNEY RICHARDS		PHONE: (609) 633-9049 FAX: (609) 292-9566

I. PURPOSE:

This Circular sets forth the procedures for the identification, notification, and method of disposal of surplus State assets known as Solar Renewable Energy Certificates (SRECs).

II. POLICY:

The policy of the State of New Jersey is to ensure that the Departments and Agencies comprising State Government achieve the maximum possible benefit from excess and surplus personal property by directing the procedure for handling such property and by providing the guiding principles to assist State agencies in determining the appropriate course of action to expedite the proper disposition of such property in compliance with N.J.S.A. 52:27B-67.

III. DEFINITIONS:

EXCESS PROPERTY – State property no longer needed by the owning agency.

OWNING AGENCY – State Agency responsible for ownership of the solar-generating facility.

SURPLUS PROPERTY – State property not needed by any State Agency that is available for appropriate disposition.

SOLAR RENEWABLE ENERGY CERTIFICATES (SRECS) – Tradable certificates, created under New Jersey's Renewable Portfolio Standards, representing the clean energy benefits of power generated by a solar electric system. When these benefits are generated by a State-owned solar-generating facility, the resulting SRECs are considered a type of State-owned personal property.

IV. GUIDELINES:

The transfer, sale, or disposal of all State assets classified as Surplus Property must comply with N.J.S.A. 52:27B-67.

Excess property must either be made available to other State Agencies at no charge or be declared Surplus and sold through bidding or public auction/sale, or disposed of locally. All proceeds from the sale of Surplus assets, including SRECs, must be deposited into the General Fund, State of New Jersey.

Because SRECs accrued by a State agency have no utility for any other State agency, they are by definition surplus, not excess property and may not be offered to other agencies. Further, generating agencies are not authorized to dispose of surplus SRECs, but must transfer them to the Division of Purchase and Property for disposition by the Office of Energy Savings (OES), which must deposit the proceeds of such disposition into the General Fund.

Under certain circumstances, it may be appropriate to modify or amend the policies and procedures of this Circular to effect the timely and/or most cost effective method of surplus property disposal. Requests to deviate from the procedures of this Circular must be made in writing to the Director, Division of Purchase and Property, with copy to the Director, OES, and must be approved accordingly.

V. AGENCY PROCEDURE FOR SURPLUS SRECs:

- A. Each State owner of solar generation facilities must transfer ownership of the SRECs generated by those facilities to the Division of Purchase and Property for disposition by the OES using "Transfer of Solar Renewable Energy Certificates" (form available on the Treasury web site: <http://www.state.nj.us/treasury/purchase/forms.htm>). A separate form is required for each owned solar facility.
- B. When energy production reaches one-megawatt hour (MWh) or more, the owning agency must accurately report production to OES on a date and in a format to be specified by OES.
- C. Each owning agency is required to maintain records of energy production reported to OES.

VI. OFFICE OF ENERGY SAVINGS PROCEDURE FOR SURPLUS SRECs:

- A. As production data is reported by facility owners, OES will record it on its Board of Public Utilities (BPU) SREC website account.
- B. When SRECs have been accumulated in a quantity sufficient for bundling and sale, OES will, in consultation with the Division of Investment, act as an impartial third party to review offers currently available on the BPU website, set a minimum bid price, and solicit bids from authorized SREC buyers who are registered with the BPU. Bids are to be solicited only through the BPU SREC Clearinghouse. The request for bids must be posted on the BPU Clearinghouse and bids must be accepted for not fewer than five business days. All bids shall be recorded on Form PB-121, Summary of Bids – Solar Renewable Energy Certificates.
- C. In the event that three or more bids greater than the minimum bid price are received, OES shall complete an agreement of sale with the highest bidder, which must be maintained on file with Form PB-121.
- D. In the event that fewer than three bids greater than the minimum bid price are received, OES must determine whether the highest bid received represents full and fair value to the State. OES must maintain on file, with Form PB-121, a memorandum supporting acceptance or rejection of the highest bid. If OES determines to reject all bids, it will resubmit the SRECs for sale again within a reasonable time.
- E. Upon entering into an agreement of sale, OES shall, after payment is made, transfer the SRECs to the buyer's BPU registered account and remit all funds received to the General Fund.

F. All checks derived from the sale of SRECs must be made payable to "Treasurer, State of New Jersey."

VII. RECORD KEEPING:

All records and documentation pertaining to the disposal of surplus SRECs must be maintained by the owning agency and the OES for a period of seven years and must be available for review by the Division of Purchase and Property and by the Office of Legislative Services.

Alice K. Small, Acting Director
Division of Purchase and Property

New Jersey SREC Agreement of Sale

This Agreement of Sale is made as of the _____ day of _____, 20____, by and between the State of New Jersey, Department of the Treasury, Office of Energy Savings (Seller), whose address is 50 West State Street, 4th Floor, PO Box 211, Trenton, New Jersey 08625 and _____ (Buyer), whose address is _____.

For good and valuable consideration, the parties to this Agreement hereby agree as follows:

The Seller agrees to sell and Buyer agrees to buy: _____ Solar Renewable Energy Certificate(s) (SRECs) at a price of \$_____ per SREC. The agreed total payment amount is \$_____.

All SRECs purchased will be Renewable Production Standard eligible as defined by the NJ Board of Public Utilities.

Buyer must tender payment in full within five business days of the date of this agreement. If payment is not tendered within five business days, Seller may declare this agreement null and void.

Upon receipt of payment in full from Buyer, the Seller will promptly transfer the SRECs to the Buyer using the SREC clearinghouse maintained by the New Jersey Board of Public Utilities at <http://www.njcep.com/srec/index-primary.html>.

When the transfer is complete, the SRECs become the property of the buyer.

_____ Seller	_____ Date	_____ Buyer	_____ Date
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Name

Name

Title

Title

(PRINT ON AGENCY LETTERHEAD)

CERTIFICATION

Agency Department: _____

Agency Name: _____

Installation name: _____

Installation address: _____

DC Capacity (kW = # modules * module rating): _____

Collectively known herein as the Solar Photovoltaic Facility.

- A. This Solar Photovoltaic Facility generates renewable energy, consisting of 1) the actual electric energy, measured in KWh, which is either consumed on the premises or delivered via a net metering agreement or other electricity sales contract to _____ (name of utility or distribution owner) and 2) all environmental and renewable energy attributes associated with renewable energy production. These attributes are represented by an SREC, or "Solar Renewable Energy Certificate."
- B. As a condition of participating in the New Jersey SREC program administered by the State of New Jersey, Department of the Treasury, Office of Energy Savings, I hereby transfer ownership of the SRECs generated by this Solar Photovoltaic Facility to the Department of the Treasury, Division of Purchase and Property.
- C. I certify that the environmental and renewable energy attributes as represented by each SREC, which include the air, water, land, labor, emission allowances, emission reduction offsets or benefits, of the electric power are not also being claimed, delivered, sold and or/transferred to any other entity in whole or in part.

I certify that the statements above and the information provided on this form are true and correct to the best of my knowledge. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Name: _____

Signature: _____

Date: _____

(Please return via fax to: Rodney Richards, NJ Treasury, Office of Energy Savings, 609-292-9566)

(Mail to: Attn: Rodney Richards, NJ Treasury, Office of Energy Savings, PO Box 211, Trenton, NJ 08625-0211)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
SUMMARY OF BIDS -- SOLAR RENEWABLE ENERGY CERTIFICATES

INSTRUCTIONS: Office of Energy Savings shall use this form to obtain and record bids from at least three bidders prior to accepting an offer for SREC's. After quotations have been recorded, this form must be signed and retained on file together with the Agreement of Sale and (if less than three bids are received) a memorandum supporting acceptance or rejection of the high bid.				VENDOR INFORMATION								
				BIDDER NAME		BIDDER NAME		BIDDER NAME		BIDDER NAME		
				ADDRESS		ADDRESS		ADDRESS		ADDRESS		
MINIMUM BID			FISCAL YEAR		FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.	
			DATE OF QUOTATION		TELEPHONE NO.		TELEPHONE NO.		TELEPHONE NO.		TELEPHONE NO.	
DESCRIPTION OF ITEM(S)			QUANTITY	SELLING UNIT	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
				MWh								
REMARKS:			TOTAL BID PRICE									
			COMMENTS									

I certify that competition has been solicited and quotations obtained in accordance with Treasury Circular Letter 08-02-DPP and current Purchase Bureau regulations.